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# Foreign Crops and MARKETS



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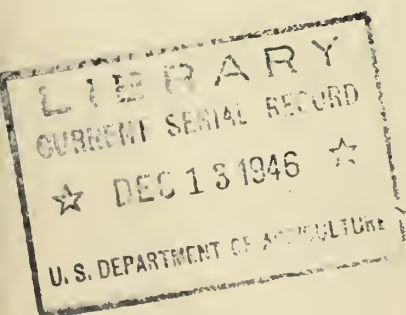
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L A T E N E W S

Formation of an international wool study group to keep the world position under intergovernmental review was proposed last week, as the International Wool Talks were concluded at London. Delegations from the 13 nations attending were in full agreement in their desire to avoid excessive price fluctuations and to expand world consumption of wool. In reviewing the present statistical position and the prospects for 1946-47, the Conference noted the recovery of consumption in many countries as encouragingly rapid, but, nevertheless, expected the problem of large carried-over stocks to continue for some time.

Czechoslovakia's official 1946 crop-estimate revisions as of October 1 (area in thousand acres, production in thousand short tons) are: Winter wheat 2,021 acres, 1,330 short tons; spring wheat 210, 130; winter rye, 1,913, 1,519; spring rye 30, 22; winter barley 15,7; spring barley, 1,317, 834; oats, 1,473, 908; corn, 252, 194; potatoes, 1,572, 9,766; and sugar beets, 430, 4,565.

Chile's third and final official estimate of the 1946-47 acreage planted to certain grains (last season's estimates in parentheses) follow in acres: Wheat 1,906,000 (1,803,000); oats 272,000 (203,000); and barley 141,000 (110,000).

The Greek Government is now revising its import control regulations as a foreign exchange conservation measure. The plan involves segregation of all commodities into three categories according to need: (1) Foodstuffs and prime necessities; (2) industrial and agricultural essentials; and (3) nonessentials.

In Italy, regional shortages of bread grain stocks are indicated, with consequent uneconomic internal shifting of indigenous supplies to maintain established bread and pasta rations. Without imports, rations may not be met in shortage areas.

Mexico's Mayo Valley suffered a 20-percent damage to its tomato crop during October, mainly because of sub-zero temperatures.

## WORLD WOOL PRODUCTION NEAR PREWAR LEVEL; STOCKS LARGE

World wool production in 1946, estimated at 3.7 billion pounds, is about the same as in 1945 and approximately on a level with the prewar average. Supplies, however, greatly exceed the prewar average because of a large wartime accumulation of wool.

In the early war years, production increased sharply, chiefly in the Southern Hemisphere and the United States in response to higher prices. Since 1943, however, production has fallen off 10 percent. Contributing to this decline were drought in Australia and the Union of South Africa, difficulties in obtaining herders and competition of other farm products in the United States, and the direct interference of the war in Europe and Asia.

One of the outstanding features of the present world wool supply situation is the reduced production in the United States, Australia, and South Africa, all predominantly fine wool producing countries. The combined output of these three countries in 1946 fell to 1.5 billion pounds, compared with the record wartime production of 1.9 billion pounds and the 1934-38 average of 1.7 billion pounds. A slight increase is indicated for Australia in 1946, but production in the United States and South Africa continued to decline.

The Southern Hemisphere produces two-thirds of the world's wool output, exclusive of the Soviet Union and China and furnishes most of the world's total exportable surplus of apparel wool. Production in that area showed a slight increase of 1 percent in 1946 <sup>1/</sup> to 2.3 billion pounds, according to preliminary figures, mainly because of an upturn in Australia and the maintenance of production at a high level in Argentina and Uruguay. Although output is now about 9 percent below 1943, it is still 8 percent above the prewar level.

In the Northern Hemisphere, exclusive of the Soviet Union and China, production apparently made no recovery in 1946 from the low 1945 level. Production is estimated at only 1.1 billion pounds, which is 5 percent below 1945 and 15 percent less than the prewar average. The decline is due to a further decrease in 1946 of 7 percent in the United States, the most important producing country, and to the continued declines in Continental Europe and North Africa. Production in the Soviet Union and China, which produce mainly coarse carpet-type wool, can only be roughly approximated. Latest information indicates some increase in the Soviet Union in 1946 above 1945. Lack of reliable estimates of either sheep numbers or of wool production in China makes it difficult to ascertain the trend in that country, but recent Chinese Government surveys indicate a fairly substantial reduction from prewar numbers.

Although production is now about at the prewar level, world supplies greatly exceed the prewar average owing to the large wartime accumulation

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<sup>1/</sup> Refers to the clip shorn in latter part of 1946 for marketing in 1946-47.



WOOL: Production in specified countries, greasy basis,  
average 1934-1938, annual 1943-1946

Hemisphere and country	Average 1934-1938	1943	1944	1945 a/	1946 a/
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
<b>Southern Hemisphere</b>					
Australia .....	995.3	1,169.0	1,017.3	930.0	970.0
New Zealand .....	299.3	330.0	372.0	352.0	350.0
British South Africa b/ .....	238.6	250.0	234.0	210.0	195.0
Argentina c/ .....	370.4	520.0	500.0	500.0	500.0
Uruguay d/ .....	118.0	147.9	152.0	175.2	175.7
Brazil .....	38.4	e/ 42.0	e/ 42.5	e/ 45.0	e/ 45.0
Chile .....	32.7	35.0	34.0	32.0	33.0
Peru f/ .....	19.6	18.9	19.8	20.1	20.1
Other South America g/h/ .....	10.9	10.1	10.1	10.1	10.1
Total Southern Hemisphere ...	2,123.2	2,522.9	2,381.7	2,274.4	2,298.9
<b>Northern Hemisphere</b>					
United States -					
Shorn .....	360.4	384.4	347.1	321.0	299.0
Pulled .....	64.7	65.2	71.0	66.0	1/ 59.0
Total .....	425.1	449.6	418.1	387.0	358.0
Canada .....	16.4	17.8	19.3	19.6	17.5
Other America j/ .....	14.1	14.2	14.3	14.4	14.4
<b>Europe</b>					
United Kingdom ....	108.3	90.4	86.8	86.6	90.5
Ireland .....	17.1	15.3	15.9	16.1	15.4
Norway .....	5.9	5.8	6.2	6.1	6.6
Netherlands .....	5.5	3.8	3.4	3.5	4.2
France .....	37.9	26.9	26.0	25.0	26.0
Spain .....	77.4	101.0	101.0	94.6	86.8
Portugal .....	15.5	18.7	18.9	18.4	18.0
Italy .....	31.0	31.0	27.6	23.0	26.0
Germany .....	34.9	45.7	49.9	k/	k/
Czechoslovakia .....	2.7	k/	k/	k/	k/
Poland .....	11.1	k/	k/	k/	k/
Hungary .....	10.8	8.6	8.2	2.2	2.3
Yugoslavia .....	33.0	k/	k/	k/	k/
Bulgaria .....	29.2	1/ 23.4	1/ 19.3	1/ 18.0	1/ 18.0
Rumania .....	48.4	k/	k/	k/	k/
Albania .....	5.0	3.6	4.5	4.8	5.0
Greece .....	17.7	8.6	9.5	11.2	12.0
Total Southeastern Europe .....	144.1	115.4	109.5	85.2	94.3
Lithuania .....	3.6	k/	k/	k/	k/
Latvia .....	5.3	k/	k/	k/	k/
Estonia .....	2.3	k/	k/	k/	k/
Finland .....	2.5	1.8	2.2	2.2	2.6
Others m/ .....	6.8	7.0	7.2	7.1	6.9
Total Europe excluding Soviet Union n/ .....	511.9	480.4	472.1	422.7	421.2

Continued

WOOL: Production in specified countries, greasy basis,  
average 1934-1938, annual 1943-1946 continued-

Hemisphere and country	Average 1934-1938	1943	1944	1945 <u>a/</u>	1946 <u>a/</u>
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
North Africa <u>o/</u> .....					
French North Africa <u>p/</u> .....	90.8	100.2	95.7	97.0	78.0
Egypt .....	7.8	6.8	6.8	6.8	7.0
Asia <u>g/-</u> .....					
Turkey .....	60.0	62.0	67.0	60.0	60.0
Iraq .....	20.0	21.0	22.0	23.0	24.2
Iran .....	41.0	26.0	21.0	29.0	29.0
Syria .....	7.9	10.0	13.6	14.3	10.4
Afghanistan .....	15.0	15.0	15.0	15.0	15.0
India .....	85.2	85.0	80.0	75.0	70.0
Others <u>q/</u> .....	2.0	2.0	2.2	2.3	2.3
Total Asia excluding China <u>n/</u> :	231.1	221.0	220.8	218.6	210.9
Total Northern Hemisphere excluding Soviet Union and China .....	1,297.2	1,290.0	1,247.1	1,166.1	1,107.0
Estimated world total excluding Soviet Union and China <u>r/</u> .....	3,420.0	3,810.0	3,630.0	3,440.0	3,410.0
Soviet Union .....	210.0	230.0	<u>g/</u> 210.0	<u>g/</u> 220.0	<u>g/</u> 227.0
China <u>g/</u> .....	90.0	90.0	85.0	80.0	75.0
Estimated world total including Soviet Union and China <u>r/</u> .....	3,720.0	4,130.0	3,920.0	3,740.0	3,710.0

Office of Foreign Agricultural Relations. Compiled from official sources or estimated on the basis of information available. Includes wool produced mostly in the spring in the Northern Hemisphere and that produced in the season beginning July 1 or October 1 of the same calendar year in the Southern Hemisphere. Pulled wool included for most countries at its greasy equivalent.

a/ Preliminary. b/ Union of South Africa, Union Protectorates and South West Africa. c/ Estimates of the Buenos Aires Branch, First National Bank of Boston. Earlier years adjusted on basis of actual exports. d/ Estimates of the Camara Mercantil de Productos del Pais (Mercantile Exchange of Uruguay). e/ Estimate based on production in Rio Grande do Sul, which produces about 80 percent of the total. f/ Based on recent surveys of the Junta Nacional de la Industria Lanar. g/ Rough approximations. h/ Includes relatively small production in Bolivia, Ecuador, Paraguay, and the Falkland Islands. i/ Indicated. j/ Includes Mexico, Newfoundland, Hawaii, Netherlands West Indies, Guatemala, Salvador, Colombia, and Venezuela. k/ Estimate included in total. l/ Includes Southern Dobrudja. m/ Includes countries producing 2 million pounds or less, namely Sweden, Denmark, Iceland, Belgium, Switzerland, and Austria. n/ Soviet Union and China may be found at end of table. o/ British South Africa included under Southern Hemisphere. p/ Estimates based on total sheep numbers, including estimate for untaxed, and average weight of fleece. q/ Exclusive of China, which may be found at end of table. Includes Cyprus and Palestine in addition to countries listed. r/ Rounded to tens of millions.



of wool. Stocks carried-over to the current season were estimated at 5 billion pounds on June 30, 1946, or about the same as in 1945, but three times the prewar average. In the face of these large stocks, the outlook for disposal appears better than a year ago because large quantities of British Dominion wool moved out of government and into private ownership during 1945-46. This was largely because dealers and mills in consuming countries have built up stocks for future requirements while British ceiling prices were still in effect. The wool trade in general expected a price advance when public auction sales were resumed this fall in London and the Dominions, and this expectation has been confirmed.

Stocks are still very large, however, and governments hold a substantial quantity. Of the 5-billion-pound carry-over, over half, or 2.6 billion pounds, was still in the hands of government organizations. The United Kingdom Dominions Wool Disposals Organization owns 8½ percent of this amount and the Commodity Credit Corporation of the United States 19 percent (all domestically produced).

Of the remaining 2.4 billion pounds of privately owned wool, 38 percent (out of Joint Organization stocks) is sold and awaiting shipment principally in the British Dominions, 18 percent is in the hands of dealers and manufacturers in the United States (mostly foreign wool), 12 percent in the United Kingdom, 21 percent in other consuming countries, and 10 percent in South America, principally in Argentina.

#### Southern Hemisphere

Australia, the world's most important wool producing country, will have a somewhat larger clip this year according to early indications. Production in 1946 for marketing in 1946-47 (July-June) is estimated to be about 970 million pounds grease basis, a 4-percent increase above 1945, when production fell to a low level as a result of the most severe drought in years. During the war, production rose to a record high level of 1169 million pounds in 1943, according to revised official estimates. This was 12 percent above the prewar average of 995 million pounds.

While the wartime carry-over of wool in Australia is still large, being estimated at 1.7 billion pounds grease basis on July 1, 1946, (the beginning of the current season), it is 3 percent below the carry-over a year earlier. This reduction in stocks combined with satisfactory disposals of current clip wool at high prices at recent auction sales may have a tendency to encourage sheepmen to increase production above the current low level.

A preliminary estimate as of March 30, 1946, based on statistics for five States indicated that there were approximately 94 million sheep in Australia at that date, a drop from the 123 million head in March 1944. During the 1944-45 drought the number was reduced by 18 million head and in 1945-46 fell off by another 11 million head. Conditions for the 1946 winter lambing



as well as the growing conditions for current clip have been better than a year ago, and fleeces have been heavier in many districts.

The average weight of fleece of sheep and lambs shorn in 1944-45 was officially estimated at 7.61 pounds, compared with an average of 8.3 pounds for the preceding 5 years. Weather and feed conditions in the third quarter of 1946 were favorable throughout practically all sheep areas of Australia, with the exception of northern New South Wales and Queensland, where drought conditions prevailed and losses of newly shorn sheep were reported. Since then, however, rain has fallen in the New South Wales areas.

Wool production in the Union of South Africa in 1946 declined to the low level of 195 million pounds, according to the forecast of the South African Department of Agriculture. This is a reduction of 7 percent below the Department's estimate for 1945 when production was sharply reduced by drought. These estimates include the relatively small quantities produced in the Union Protectorates and Southwest Africa.

The British Wool Commission purchased the South African wool during the war, and production estimates during that period are based mainly on such purchases. This year the Department of Agriculture of the Union has resumed the prewar custom of sending out questionnaires to ascertain the number of sheep and lambs shorn and the quantity of wool produced in 1945-46 and expected production in 1946-47.

South African producers appear to be in a better situation than they were a year ago as the wartime accumulation of stocks as of June 30 were reduced to 310 million pounds or 40 percent below a year earlier. Prices received at the auction sales this fall have been substantially above prices paid by the British Wool Commission for the wartime clips. An increase in production above the current low level is, therefore, to be expected. Present production is about 18 percent below the prewar average.

Preliminary estimates for New Zealand indicate that production this year will be about the same as the revised estimate of 352 million pounds for 1945, but smaller than the record wool clip of 372 million pounds in 1944. Drought conditions in North Island had an adverse effect on the average weight of fleece and the quality of the 1945 production. Forced marketings of sheep and lambs in 1945-46 have also affected the size of the 1946 clip. Sheep, however, wintered well and the quality of the wool clip may be better than it was last season. The carry-over into the current season was 450 million pounds, or about 5 percent above a year ago. New Zealand produces mainly 60 percent medium crossbred wool.

Production in Argentina in 1946 will again reach 500 million pounds, according to reliable estimates. For the past 3 years, Argentina has produced record clips. The average for the prewar years 1934-38 was 370 million pounds. The quality of the new clip is expected to be better than that of last season.

A little over 30 percent of Argentina's clip is coarse crossbred and Criolla wool. Before the war, Argentina was the most important source of duty-free carpet wool imported into the United States. During the war, there was little demand for these types of wool and considerable stocks were accumulated. Exports to the United States as well as to other countries have been resumed and carry-over stocks of wool in Argentina at the beginning of the current season (October 1) had fallen to 320 million pounds, compared with 580 million a year earlier.

Wool production in Uruguay in 1946 reached the record total of 176 million pounds, according to preliminary estimates, and was only slightly above the revised total for 1945. This country produces fine and medium crossbred wool which was greatly in demand for military purposes during the war. Satisfactory disposals during the past seasons at high prices have encouraged sheepmen to expand operations, and production is now substantially above the prewar level.

The latest official estimate of sheep numbers was 20,289,000 head as of December 1943, but since then numbers have evidently increased materially.

#### Northern Hemisphere

The Northern Hemisphere contains all of the world's important wool consuming countries such as the United States, the United Kingdom, France, Germany, Italy, Belgium, and the Soviet Union. The trend in production in the Northern Hemisphere has been downward since the midwar years and production in 1946 was smaller than in 1945.

Production of 299 million pounds of shorn wool in the United States, the most important producing country in the Northern Hemisphere, was 7 percent below 1945, and the lowest since 1927. Total production, including an indicated 59 million pounds for pulled wool, fell to 358 million pounds in 1946, compared with 387 million pounds in 1945 and a prewar average of 425 million pounds. Production in the United States in the early war years increased in response to wartime demand but began to decline in 1943 as a result of difficulties in obtaining sheep herders, displacement by cattle on the ranges, and competition from other livestock in the native sheep areas.

The number of sheep shorn in 1946 was 9 percent less than in 1945, but the average weight per fleece was the highest since 1933, and further reduction of ewes as of January 1, 1946, will undoubtedly be reflected in lower production of both shorn and pulled wool in 1947.

Canadian wool production in 1946 showed a sharp drop to approximately 17.5 million pounds of shorn and pulled wool, according to preliminary estimates. This was about 11 percent below the record production of 1945. Wool production was at a fairly low level in 1940 but increased each year to reach 19.6 million pounds in 1945. Sheep numbers at the end of 1945 had fallen to 2,456,000 head, compared with 2,821,500 head in December 1944.



Shorn wool production in 1945 is officially estimated at 14.5 million pounds, which was a slight decrease compared with 1944. The number of sheep shorn was 1,917,000 with an average fleece weight of 7.6 pounds, compared with 2,007,000 shorn in 1944 with a fleece weight of 7.5 pounds. Sheep and lamb marketings increased in 1945 and the production of pulled wool reached 5.1 million pounds, the largest production on record.

Wool production in the United Kingdom recovered by about 5 percent to 90.5 million pounds from the low level of 1944 and 1945. Production was about equal to that in 1943 but still 16 percent below prewar. Sheep numbers on June 1, 1946, were unofficially estimated at 20,338,000, compared with 20,150,000 in 1945 and a prewar (1934-38) average of 25,472,000.

A slight recovery in wool production is indicated in the important wool consuming countries of Western Europe, France and Italy, and in Southeastern Europe, but further decreases are indicated for Germany and Poland. Production in all of these countries was materially below the prewar (1934-38) average.

In France, the most important consuming country in continental Europe, production is estimated at 26 million pounds, or 31 percent below the prewar average. The long-time trend in sheep numbers in France has been sharply downward, and this was continued during the war. In Germany, the long-time trend was upward before the war and the trend continued through 1944, but in 1945 there was a substantial decrease. In Italy the trend has been gradually downward as compared with the 1930 census, but a slight upturn was evident in 1946. Wool production followed more or less closely the trend in sheep numbers. These three countries consume much more than they produce, and in normal times France and Germany imported almost 90 percent of their consumption requirements and Italy about 75 percent.

Sheep numbers and wool production increased during the war in Spain, continental Europe's most important producing country. Production also increased in Portugal. Production in these countries in 1946 decreased but is still considerably above the prewar average.

North African production decreased materially in 1946, because of adverse weather conditions in 1945 which reduced sheep numbers.

Only rough approximations of sheep numbers and of wool production are available for the important carpet wool producing countries of Asia. The most important producing countries are the Soviet Union, China, and India. Wool production in the Soviet Union has shown a slight upward trend since 1944 and while above the prewar average is 24 percent smaller than in 1938. There was a large increase in sheep and wool production between 1934 and 1938, and at the same time the percentage of fine and semi-fine wool increased and that of coarse wool decreased.

Production in China is now estimated at approximately 75 million pounds, according to a recent study made by the Northwest China Improvement Bureau.

This is a substantial decrease compared with a conservative prewar estimate of 90 million pounds.

At recent discussions in India in connection with the opening of normal trade channels present production was reported at about 70 million pounds, compared with prewar estimates ranging from 80 to 85 million pounds.

The combined production of wool in the four Middle East carpet wool producing countries of Turkey, Iran, Iraq, and Syria is estimated at 124 million pounds in 1946, a 2-percent decrease from 1945.

This is one of a series of regular scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crop and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, Chairman, C. M. Purves, Elmer A. Reese, Esther H. Johnson, Hazel B. Keefauver, John A. Hopkins, Louise E. Butt, Mary E. Long, and Robert J. Manovill.

#### WORLD COTTON STOCKS REDUCED TO 1939 LEVEL

World cotton stocks on hand July 31, 1946 are estimated at 23.7 million bales (of 478 pounds), compared with last year's record of 28.1 million bales. The estimated 1946 stocks are approximately equal to those of 1939. The figures disclose the first sharp decline in world stocks since 1937 when a record world crop of 38.6 million bales raised stocks by 9 million bales to the Plateau on which they have since remained. With consumption at current rates and the small 1946-47 world crop, however, a further substantial reduction of stocks in the present season is in progress.

A significant feature of the 1946 situation is the drop of 6.9 million bales in the stocks in surplus countries, partly offset by a rise of about 2.3 million in the importing countries.

The decrease in world stocks this year reflects a rise in world consumption by about 2.2 million bales in 1945-46, as well as a decline in production of 3.8 million bales. The decline in stocks in producing countries was most notable in the United States although all the major producing countries, except China, reported appreciable declines. The heaviest accumulations of stocks during the year were in the United Kingdom, France, China, Italy, and Switzerland.

Stocks in minor producing countries showed no appreciable increase during the war years. Stocks in minor importing countries, mostly in Europe, were nearly all exhausted by July 31, 1942, except in Portugal and Chile where imports were maintained at a near-normal rate.

These stock figures are intended to show total world stocks on July 31 and are not to be confused with estimates of carry-over at the end of the crop seasons in the various countries. The figures for the Northern Hemisphere are essentially season-end stocks; those for Southern Hemisphere countries in



most cases are calculations for July 31, based on carry-over estimates as of March 1 with allowance for the new crop and deductions of 5 months' exports and consumption.

Surplus countries: The carry-over of 7,522,000 bales in the United States on July 31, 1946, represents a reduction of 32.6 percent from the 1945 figure and 42.3 percent from the peak carry-over of 13,033,000 bales in 1939. The small volume of export trade during the war years was offset by a high level of mill consumption. With average production slightly reduced during 1939-45 below the prewar level, the carry-over varied between 10.6 and 12.2 million bales, or somewhat below the peak 1939 figure. The sharp reduction in 1946 is attributed to the unusually small 1945 crop as well as a continued high rate of mill consumption and a considerable gain in export trade above the low volume reported for the war years.

Most of the stocks in possession of the Government at the end of July 1946, estimated at more than 700,000 bales, were already allocated against the various export programs.

Brazil's cotton stocks were reduced to about 3.2 million bales by July 31, 1946, as a result of an abnormally small crop in 1945-46 and a near-record export total of 1,471,000 bales. (The season in south Brazil, where 75 to 80 percent of the crop is produced, begins March 1.) Stocks in possession of the Brazilian Government on July 31, 1946, were estimated at 600,000 bales and the British Government owned about 325,000 bales, all located in the State of Sao Paulo.

Estimates of stocks in India made by various Indian organizations vary considerably, but the best indications are that around 3 million bales of all kinds of cotton were on hand July 31, 1946, compared with about 4.5 million a year earlier and a peak of 4.8 million in 1944. Most of the free stocks on hand this year are comprised of low-grade cotton of 3/4 inch staple or less.

The reduction in stocks since 1944 is attributed to reduced production in 1944 and 1945, and a high level of consumption maintained throughout the war period.

Stocks of cotton in Egypt, estimated at 1,793,000  $\frac{1}{2}$  equivalent bales (of 478 pounds) on July 31, 1946, were only 34,000 bales below the 1945 estimate. Failure to make an appreciable reduction in stocks during 1945-46 is attributed to a 12.5-percent rise in production that nearly offset the very moderate increase in exports and consumption. About 770,000 bales, or roughly 43 percent of the 1946 stock, was in the possession of the Government as a result of support prices offered during the latter war years. The 1946 figure includes 857,000 bales of Karnak (extra long staple), 178,000 of Giza 7, and 574,000 of Ashmouni and Zagora.

1/ Official carry-over as of August 31 plus exports and estimated consumption in August.

Stocks in other parts of Africa--the Anglo-Egyptian Sudan, British East Africa, Belgian Congo, Portuguese Colonies, and French Colonies-- totaled about 500,000 bales at the end of July 1946, or 150,000 less than at the same time a year ago. These stocks do not represent carry-over as the cotton crops in nearly all of these areas are picked during December to July, and approximately half of the cotton is usually still in the producing areas, either in gins or at ports awaiting shipment abroad. Variations in stocks on July 31 are directly related to changes in production from year to year, except during the war years when exports were delayed by shipping difficulties.

Practically all of the cotton produced in these areas is normally exported as soon as it is ginned and shipment can be arranged, leaving little cotton on hand when the new season begins.

Cotton stocks in Argentina increased steadily during the early war years to a high point of 721,000 bales at the end of July 1944 (season begins March 1), then declined to 650,000 bales a year later and 470,000 bales on July 31, 1946. The decline during the past 2 years is attributed mostly to small crops in both years and a sharp rise in exports in 1945-46. The issuance of licenses for exportation of cotton was discontinued in July 1946.

The entire series of stock estimates for Argentina has been revised since the export of December 10, 1945, to include stocks of unginned cotton on hand July 31.

Stocks in Peru followed an upward trend during the war years as in most other producing countries, reaching the highest level on record in 1945, when on July 31 they were estimated at 410,000 bales. A sharp reduction to about 238,000 bales a year later is attributed to a record export movement of 440,000 bales in 1945-46. The 1946 figure is somewhat higher than the prewar average, but practically all of the cotton on hand at that time was sold and awaiting shipment or in possession of local mills.

Stocks of cotton in Mexico accumulated during the war years to a peak of 382,000 bales on July 31, 1945, (crop year begins on July 1 so the figure includes nearly 100,000 bales from the new crop), but was reduced by 56.5 percent a year later. The sharp reduction is attributed to the record export movement of 263,000 bales in 1945-46, mostly to China, that began immediately after the end of the war in the Pacific.

Stocks on hand at the beginning of the 1946-47 season (July 1) were less than 100,000 bales and caused the Government to place restrictions on the further issuance of licenses for export. (See World Cotton Trade Summary in Foreign Crops and Markets for October 14, 1946).

Deficit countries: Stocks in the United Kingdom, reported officially at 1,947,000 bales on July 31, 1946, were probably the largest since World War I and were equal to about 15 months' requirements at the current rate of consumption. In addition, stocks owned by the British Government in

COTTON: Estimated world stocks by principal countries,  
July 31, 1946, with comparisons.  
(In bales of 478 pounds net)

Countries	Stocks on hand July 31				
	1939	1943	1944	1945	1946
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
<b>Surplus countries:</b>					
United States . . . . .	13,033	10,657	10,744	11,164	7,522
India . . . . .	2,000	4,300	4,800	4,500	3,000
Egypt . . . . .	325	2,114	1,882	1,827	1,793
Brazil . . . . .	661	2,600	3,850	4,100	3,200
Argentina <u>a/</u> . . . . .	243	542	721	650	470
Mexico . . . . .	150	246	366	382	166
Peru . . . . .	(200)	236	305	410	238
Paraguay . . . . .	(15)	(20)	51	20	(20)
Colombia . . . . .	5	80	75	(75)	(70)
Haiti . . . . .	(5)	14	9	13	3
Anglo-Egyptian Sudan . .	107	225	187	134	79
Belgian Congo . . . . .	(150)	185	192	200	195
British East Africa . . .	(150)	(150)	33	113	(75)
French Equatorial Africa .	(25)	110	122	132	(75)
French West Africa . . .	(10)	37	35	10	10
Iran <u>3/</u> . . . . .	(1)	46	33	67	60
Others <u>3/</u> . . . . .	(896)	(688)	(385)	(903)	(824)
Estimated total . . . .	17,740	22,250	24,300	24,700	17,800
<b>Deficit countries:</b>					
United Kingdom . . . . .	1,045	1,223	1,553	1,755	1,947
France . . . . .	(700)	(5)	7	395	922
Italy . . . . .	(350)	(5)	7	113	391
Belgium . . . . .	200	0	0	125	95
Netherlands . . . . .	(30)	0	0	13	46
Spain . . . . .	(25)	66	33	75	59
Switzerland . . . . .	(100)	(5)	2	16	127
Japan . . . . .	556	(350)	(300)	(150)	180
China . . . . .	1,100	(250)	(150)	(150)	1,000
Canada . . . . .	56	121	133	66	85
Australia . . . . .	(20)	(35)	(25)	56	59
Cuba . . . . .	(10)	14	13	21	11
Others <u>c/</u> . . . . .	(963)	(176)	(112)	(163)	(478)
Estimated total . . . .	5,210	2,250	2,340	3,100	5,400
Afloat <u>d/</u> . . . . .	550	200	160	300	500
Estimated world total .	23,500	24,700	26,800	28,100	23,700

Office of Foreign Agricultural Relations. Compiled from official sources and foreign service reports or estimated on the basis of other available information. Figures in parentheses are estimates based on fragmentary data.

a/ Entire series revised to include unginned cotton on hand at the end of July.

b/ Mostly Soviet Union.

c/ Includes European countries not listed above, Chile, Bolivia, and Uruguay.

d/ Approximately half of world export totals for July.



foreign countries, excluding cotton in transit or at ports awaiting shipment, were estimated on June 30, 1946, at 450,000 bales, mostly in Brazil. The stocks remaining in Brazil were purchased prior to November 1944.

Despite wartime shipping difficulties, stocks were increased steadily during the war years when mill consumption was restricted to little more than half of the prewar level and the Government was the sole purchasing agent for cotton.

In France, stocks were built up rapidly after the end of hostilities. The estimate of 922,000 bales on hand July 31, 1946, represents about 11 months' requirements at the level anticipated for 1946-47. Stocks in Italy at the end of July 1946, estimated at nearly 400,000 bales were equal to about 6 months' requirements. Switzerland's 127,000 bales were about equal to 1946-47 requirements. Stocks in Germany have not been reported, but consumption estimates and incomplete import data indicate that stocks on hand in all zones on July 31, 1946, probably totaled around 100,000 bales, compared with less than 5,000 a year earlier. Stocks in Belgium were sufficient for only 4 months, those in the Netherlands for less than 3 months.

Stocks in Spain estimated on July 31, 1946, at 59,000 bales were equal to only 2 months' requirements and those in Sweden are believed to be sufficient for about 8 months at a consumption rate of about 12,000 or 13,000 bales monthly. Most of the 38,000 bales in Poland at the end of July 1946 were Soviet cotton and represented slightly less than 2 months' requirements at the current rate of mill consumption.

No cotton arrived in Japan after the end of the war until May 1946. About 180,000 bales of the 215,000 that arrived before July 31, mostly in June and July, were still on hand at the end of July. Stocks of cotton did not approach a point of complete exhaustion until early in 1946. Yarn production statistics for the war years indicate that cotton consumption reached its lowest level in 1945 when about 225,000 bales were consumed. Stocks remaining in January 1946 were placed at 20,000 to 25,000 bales.

Stocks in the Soviet Union, included in "other surplus countries," are not reported but are believed to have increased during the latter war years. Both production and consumption declined during the early war years. Production appears to have recovered more rapidly since 1943 than did consumption as evidenced by the fact that stocks were sufficiently high when the war ended to permit the exportation of approximately 250,000 bales to central and eastern Europe in 1945-46.

With export commitments for 1946-47 totaling at least 200,000 bales and possibly 400,000, it is evident that stocks at the end of July 1946 may have amounted to around 600,000 bales. Nearly half the cotton exported from the Soviet Union in 1945-46 will be returned as finished goods in payment for the raw materials.

In China, cotton stocks rose to an estimated 1,000,000 bales including 800,000 of foreign-grown cotton on July 31, 1946, as a result of heavy



November 25, 1946

imports in 1945-46. The scarcity of Chinese cotton in local mill centers at that time was attributed largely to internal transportation difficulties indicating that some supplies may have been available at that time in producing areas and primary collection centers. Stocks were unusually large in 1939 following a year of record imports but are believed to have been very small at the beginning of each crop year during 1941 to 1945 with imports cut off and production averaging only about half the prewar level.

Stocks in Canada estimated at 85,000 bales on July 31, 1946, were slightly higher than a year ago but were sufficient for little more than 2 months' requirements at the anticipated rate for 1946-47.

This is one of a series of regularly scheduled reports on world agricultural prospects approved by the Office of Foreign Agricultural Relations Committee on Foreign Crops and Livestock Statistics. For this report the Committee was composed of Joseph A. Becker, Chairman, C. M. Purves, A. W. Palmer, P. K. Norris, C. H. Barber, A. B. Lewis, and J. A. Hopkins.

## COMMODITY DEVELOPMENTS

### GRAINS, GRAIN PRODUCTS, AND FEEDS

#### CANADIAN GRAIN ESTIMATES REDUCED

Canada's 1946 grain crop was smaller than first estimated, on the basis of the second estimate of production. Through smaller than previously estimated, the principal grain crops were still somewhat larger than in 1945. The largest reduction, compared with earlier estimates, occurred in the spring wheat crop, now placed at 403 million bushels, compared with the earlier estimate of 425 million bushels.

The second estimate of production is based on yield data supplied by crop correspondents in late October and early November. Present estimates, thus, reflect the effects of unfavorable harvesting conditions in Saskatchewan and Alberta, subsequent to the September estimate. Reports indicate that reductions may also be partly due to damage from July frosts having been underestimated in the first crop appraisal.

The outturn of wheat in Saskatchewan is now placed at 198 million bushels, a reduction of 18 million bushels from the first estimate. Production in Alberta at 137 million bushels is 5 million bushels less than indicated by the first estimate, while production in Manitoba is a million bushels larger than the earlier estimate.

Unfavorable harvesting weather and frosts were the principal factors in the reductions of about 12 million bushels in the oats estimate, and 4 million in barley. A reduction of almost 10 percent in the estimate for rye placed that crop at 6.9 million bushels. Mixed grains show little change since the earlier estimate, and are about 17 percent larger than in 1945. Average yields of the major grain crops were close to the long-time average, despite reductions noted.

For the minor grains small increases are reported since the first estimate. Shelled corn exceeded the 1945 outturn, as well as the first estimate. The buckwheat crop, though slightly larger than the earlier estimate, is still about 10 percent below the 1945 crop.

Hay and clover production, now placed at 14,697,000 tons, is up about a million tons compared with the September estimate. It is still, however, substantially below the 1945 crop of 17,724,000 tons.

CANADA: Grain production, 1946 with comparisons

	Average 1939-43	1944	1945	1946	
				First estimate	Second estimate
	1,000	1,000	1,000	1,000	1,000
	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>	<u>bushels</u>
Wheat					
Winter ... ..	19,208	20,908	20,115	16,052	16,271
Spring .....	424,148	395,727	285,797	424,515	402,487
Total .....	443,356	416,635	305,912	440,567	418,758
Oats .....	440,897	499,643	381,596	411,459	399,483
Barley .....	158,537	194,712	157,757	164,206	159,912
Rye .....	14,577	8,526	5,888	7,588	6,913
Mixed grains ..	48,028	57,431	46,927	54,646	54,924
Buckwheat .....	5,955	5,553	5,246	4,534	4,748
Shelled corn...	10,594	11,700	10,365	10,147	10,542

From reports of the Dominion Bureau of Statistics.

ARGENTINE WHEAT  
PROSPECTS FAVORABLE

The third official estimate of the Argentina acreage sown to wheat placed the area at 16,462,000 acres. This is a slight increase over the second estimate and near the level of the first forecast. Harvesting is under way in northern areas, and yield prospects are reported to be generally above average.

Latest trade estimates of the crop range from 200 to 225 million bushels, despite excessive rainfall reported in some areas. Production at that level would depend on yields per seeded acre being above a long-time average.

CANADA'S FALL  
GRAIN ACREAGE UP

Fall-grain sowings in Canada show an increase of about 15 percent over the 1945 acreage. Fall wheat is placed at 693,000 acres, compared with the 1945 acreage of 587,000 acres. Acreage seeded to fall rye is reported at 382,000 acres, compared with last year's seedings of 349,000 acres. The condition of the fall acreage on October 31 was reported to be better than at that time a year ago.

The wheat condition was reported at 101 percent of the long-time average yield per acre, compared with 81 percent at the end of October 1945. Rye condition at the same date was placed at 97 percent, as compared with 93 percent a year earlier.

Fall ploughing of land intended for next season's crops was more advanced at the end of October than at that time, last year. Percentages completed in the principal Provinces, with last year's comparison shown in parentheses, are as follows: Manitoba 71 (64); Saskatchewan 30 (23); Alberta 54 (53); Quebec 65 (60); and Ontario 67 (43).

FATS AND OILS 1/URUGUAY FLAXSEED CROP  
TO PROVIDE MORE EXPORTS

Uruguay's flaxseed crop for 1946, which trade sources place at about 4.7 million bushels or above average for that country, should provide an exportable surplus of approximately 4 million bushels in terms of seed. It is likely, however, that the bulk of exports in 1947 will be oil rather than seed, since Uruguay has increased its oil mill capacity and is now in a position to crush approximately the entire flaxseed production. Uruguay's 1946 flaxseed plantings, according to the first official estimate, were 554,800 acres, compared with 554,000 last year.

URUGUAY: Flaxseed acreage, production, and trade,  
average 1935-39, annual 1942-46

Year	Acreage	Production	Exports	
			Flaxseed	Linseed oil
	1,000 acres	1,000 bushels	1,000 bushels	Short tons
Average -				
1935-39 .....	407	3,894	3,179	110
1942 .....	337	1,803	1,385	874
1943 .....	255	2,854	1,431	986
1944 .....	403	4,059	2,272	3,746
1945 .....	554	4,939	1,380	5,764
1946 .....	555	-	a/2,873	a/15,363

Compiled from official sources. a/ January-August.

1/ This section is continued on page 344.



Flaxseed exports decreased from 3.2 million bushels in 1935-39 to 1.4 million in 1945, and during the same period, linseed-oil shipments increased from 110 to 5,764 short tons. According to information now available for 1946 (January-August), exports of flaxseed have been much larger than in recent years but have not reached the prewar level. The quantity of linseed oil moving out of Uruguay during the first 3 months of this year has almost trebled the 1945 shipments.

#### TOBACCO

##### SWEDEN IMPORTS MORE U. S. TOBACCO

Sweden's imports of unmanufactured tobacco in 1945 amounted to 16 million pounds, of which the United States supplied 11.7 million pounds, or 73 percent of the total. During the prewar (1935-39) period Sweden's tobacco imports averaged 14.8 million pounds, but the United States share was only 59 percent. In 1945, Brazil supplied 3 million pounds, and other principal sources of supply were Rhodesia, Greece, and Cuba.

Cigarette imports, also principally from the United States, totaled 1,087,000 pounds in 1945. About 87 percent of Sweden's cigarette imports last year originated in this country. During the 1935-39 period, Sweden's imports of cigarettes averaged 467,000 pounds annually, of which the United States supplied only about 62 percent. Imports of cigars and cigarillos in 1945 were insignificant.

##### U. S. SHARE IN SWISS TOBACCO MARKET RISES

During the first half of 1946, Switzerland imported a total of 8.2 million pounds of leaf tobacco of which 3.5 million pounds, or 43 percent, were from the United States. Most of the purchases from this country consisted of fire-cured and Maryland leaf. On a percentage basis, this country fared better in the Swiss market than in prewar years. During the period 1935-39, Swiss imports of leaf averaged 15.8 million pounds annually, but only 39 percent was of United States origin. In 1945, about 15.2 million pounds were imported from all sources, with takings from this country accounting for only 34 percent.

Shipments of United States cigarettes to Switzerland increased sharply during the first half of 1946. Imports of American cigarettes amounted to 147,000 pounds, compared with only 63,000 pounds for the calendar year 1945. During the prewar (1935-39) period, imports of cigarettes from this country averaged 76,000 pounds yearly. The United States supplies the bulk of Swiss cigarette imports. Imports of pipe tobacco and cigars are relatively small.

In recent years, Swiss tobacco manufacturers have utilized increasing quantities of domestically grown leaf in the output of products. During the war, production of leaf tobacco was encouraged by the Government in order



to partially alleviate the shortage in foreign supplies. This crop expanded sharply and manufacturers necessarily used larger quantities of Swiss leaf. Whereas in 1938, only 2.2 million pounds of domestic leaf were utilized in the manufacture of cigars, cigarettes, and pipe tobacco, in 1945 about 4.8 million pounds were used. Consumption of locally-grown leaf in 1945 was about double the amount used in 1938. Swiss leaf is used largely in low-priced **cigarettes and in cigars.**

### COTTON AND OTHER FIBERS

#### WEEKLY COTTON PRICES ON FOREIGN MARKETS

COTTON: Spot prices of certain foreign growths  
and qualities in specific markets

Market location, kind, and quality	Date : 1946	Unit of weight	Unit of currency	Price in: foreign currency	Equivalent U. S. cents per pound
Alexandria	:	Kantar	:	:	:
Ashmouni, Good a/	11-14	99.05 lbs.	Tallari	45.25	37.76
Giza 7, Good a/	11-14	99.05 lbs.	Tallari	44.50	37.13
Karnak, Good a/	11-14	99.05 lbs.	Tallari	45.25	37.76
Bombay	:	Candy	:	:	:
Jarila, fine	11-14	784 lbs.	Rupee	450.00	17.31
Broach	11-14	784 lbs.	Rupee	548.00	21.08
Punjab American 289-F	:	:	:	:	:
Fine	11-14	784 lbs.	Rupee	630.00	24.23
Sind American	11-14	784 lbs.	Rupee	590.00	22.69
Kampala, East African	11-14	784 lbs.	Rupee	850.00	32.69
Buenos Aires	:	Metric ton	:	:	:
Type B	11-16	2204.6 lbs.	Peso	2110.00	28.50
Lima	:	Sp. quintal	:	:	:
Tanguis, Type 5	11-16	101.4 lbs.	Sol	167.00	25.33
Recife	:	Arroba	:	:	:
Mata, Type 5	11-15	33.07 lbs.	Cruzeiro	130.00	21.25
Sertao, Type 5	11-15	33.07 lbs.	Cruzeiro	130.00	21.25
Sao Paulo	:	Arroba	:	:	:
Sao Paulo, Type 5	11-15	33.07 lbs.	Cruzeiro	145.50	23.78
Torreón	:	Sp. quintal	:	:	:
Middling, 15/16	11-15	101.4 lbs.	Peso	146.25	29.59

Compiled from weekly cables from representatives abroad.

a/ Fully Good Fair not quoted.

### FATS AND OILS (Con't)

#### CANADA REDUCES FLAXSEED ESTIMATE

Canada's second estimate of 7,651,000 bushels for the 1946 flaxseed crop is a decrease of more than a million bushels from the September release. The

heaviest loss occurred in Saskatchewan where the largest acreage was planted. The yield per acre in that Province was only 6.0 bushels, compared with 7.6 for all Canada. Weather conditions were unfavorable when harvesting was in progress, and damage from July frosts was possibly underestimated when the September forecast was prepared.

#### MISCELLANEOUS

##### HAITI'S COFFEE CROP LARGE

Latest estimates place Haiti's exportable coffee production for 1946-47 at 533,000 bags of 132 pounds each, the largest crop in recent years, according to a report from the American Embassy in Port-au-Prince. This compares with 400,000 bags from the 1945-46 crop and 413,000 bags from the preceding crop. The present harvest, which will continue until the late spring of 1947, began in August on the south coast and is now in full progress throughout the Republic.

Coffee exports from Haiti for the July-September quarter of 1946 amounted to 98,000 bags, of which 42,000 bags went to the United States, 16,000 to Belgium, 17,000 to Norway, 14,000 to Italy, and the remainder to other European countries. This is the first quarter since January 1940 that a significant percentage of Haitian coffee has gone to Europe. In prewar (1935-39) years Europe took approximately 75 percent of Haiti's coffee exports.

No official statistics are available on coffee consumption in Haiti. Estimates vary from 8 to 11 pounds per capita which, on the basis of a population of 3 million, would mean an annual consumption of between 24 million and 33 million pounds, or 180,000 to 250,000 bags.

##### CUBA'S COFFEE SUPPLIES SHORT

Despite a crop exceeding last year's output, Cuba's domestic coffee supplies are falling short of consumption requirements. The 1946-47 coffee crop in Cuba, officially forecast at 537,000 bags, shows a considerable increase over the 1945-46 outturn of 382,000 bags, according to a report from Havana.

Cuban growers are believed to have deliberately delayed bringing 1946-47 crop coffee to market in the hope of forcing prices up, inasmuch as imports of coffee are not permitted except by special authorization of the Cuban Government. To cope with the situation, the Government has frozen all stocks for compulsory prorating among roasters and is requiring growers and hulling plant operators to expedite harvesting and hulling of new-crop coffee.

Cuban coffee consumption was 140,000 bags during the third quarter of 1946. This was a 62-percent increase above the third-quarter average for the 3 years 1939-41. Estimated warehouse stocks for consumption on November 1, 1946, were at the extremely low level of 129,000 bags.